

The
Management
University
of Africa



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POST GRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

MASTER OF BUSINESS ADMINISTRATION

SMO 502: ADVANCED STRATEGIC MANAGEMENT

DATE: 4TH APRIL 2017

DURATION: 3 HOURS

MAXIMUM MARKS: 60

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. Question **ONE** is **compulsory**.
5. Answer any other **TWO** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **15 MARKS** each.
7. Write all your answers in the Examination answer booklet provided

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

PREMIER HAZARD LTD

An East coast business has developed two successful and separate routes into the Egyptian marketplace with its range of lighting products for emergency services vehicles. Formed nearly three decades ago, Premier Hazard Ltd exports up to 45 per cent of its output to markets around the world selling via distributors and direct to customers. In Egypt it's adopted a combination of both approaches.

The 35-strong company has become a regular supplier of light bars and information signs used on vehicles at Cairo Airport. It's now become a regular three-yearly deal for the business. Premier Hazard also sells to other customers via an agent it has carefully cultivated over the past five years. With the relationship cemented, there are hopes of building its profile to win extra business in the future.

"Building a relationship with the agent is very important because of the distance," explains sales office manager Pippa Gravit. "And sometimes there are questions of interpretation and the agent can go out and speak directly to the customers. The agent also helps give us an understanding of their culture.

"Without any ill intent you could say or write something in a particular fashion which could be offensive to them and that's the last thing you want." Other Egyptian orders come to the firm from its sister company Britax in Germany, which builds ambulance bodies along with light bars, sirens and speakers. As well as an understanding of cultural sensibilities, selling to the Egyptians also requires determination and often a cool head to deal with customs requirements, she adds.

Required:

- a. Define an importing distributor, and assess Premier Hazard Ltd's advantages and disadvantages of using importing distributors as a way of direct exporting
(10 marks)

- b. Appraise the role of Premier Hazard Ltd as an MNC (8 marks)
- c. Premier Hazard Ltd operates in many countries hence is affected by culture differences. Evaluate how it may manage the cultural diversity using four of the seven cultural dimensions classified by Trompenaars and Hampden-Turner (12 marks)

QUESTION TWO

- a. Many enterprises interested in venturing into the export market have various options to choose from based on their objectives and resources bases. Indirect exporting may be one of the options for expanding a business abroad compare the benefits and drawback on enterprise would face using indirect exporting (10 marks)
- b. Multi-national corporations have dominated most countries economies. They all play different roles based on their size, objective and host country. Discuss five ways through which a multinational corporation operates (5 marks)

QUESTION THREE

- a. Strategic management is dynamic and the world is changing fast due to different development. Business in the future will be expected to operate differently due to these advancements and challenges. Analyse five (5) future trends that management will need to face to keep their businesses growing (10 marks)
- b. When assessing the performance and value of a firm, a person should carefully consider and understand the knowledge transfer and its implication on performance. As a specialist in strategic management, discuss the impediments of knowledge transfer (5 marks)

QUESTION FOUR

- a. A trader can consider either to **BUY, BUILD OR PARTNER** as a business model when entering a market. Critique the three cases. (9 marks)
- b. Culture is dynamic and affects nearly all the operations of organizations. Define culture and list the five major dimensions of cultural values identified by Hofstede. (6 marks)